



Economic Impact Study of the Virginia Housing Trust Fund

Virginia Housing Commission

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Overview of the Presentation

- ✓ 12 slides
- ✓ Literature Review
- ✓ Methodology
- ✓ Total Economic Impact by Pool
 - ✓ Competitive Loan
 - ✓ Foreclosure Rehab
 - ✓ Foreclosure Counseling
 - ✓ Homelessness Reduction
- ✓ Case Studies (Crescent Square and Selbon Ave)
- ✓ Other Considerations

Virginia Housing Trust Fund

Loans	Amount of Allocation	# of Applications Received	Total Amount Requested	# of Projects Awarded	Typical Amount Awarded
Competitive Loan Pool	\$5.4 million	29	\$15.49 million	8	\$750,000
Foreclosure Rehab	\$1.0 million	7	Performance based funding	5	N/A

Grants	Amount of Allocation	# of Applications Received	Total Amount Requested	# of Projects Awarded	Typical Amount Awarded
Homeless Reduction Grants	\$930,000	58	\$4.8 million	10	\$100,000
Foreclosure Counseling	\$500,000	31	N/A	26	\$13,500-\$23,625

Figure 1: Virginia Housing Coalition (2014). 2013 Virginia Housing Trust Fund Report on Project Awards and Impacts. Retrieved August 14, 2015, from <https://thevirginiahousingcoalition.files.wordpress.com/2014/06/2013-vhtf-allocation-info-packet-6-14.pdf>

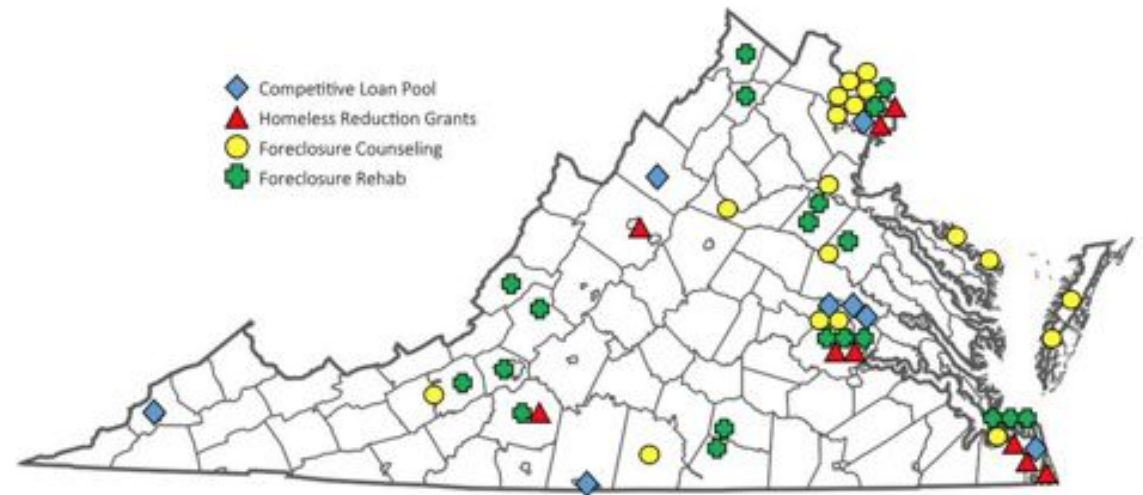
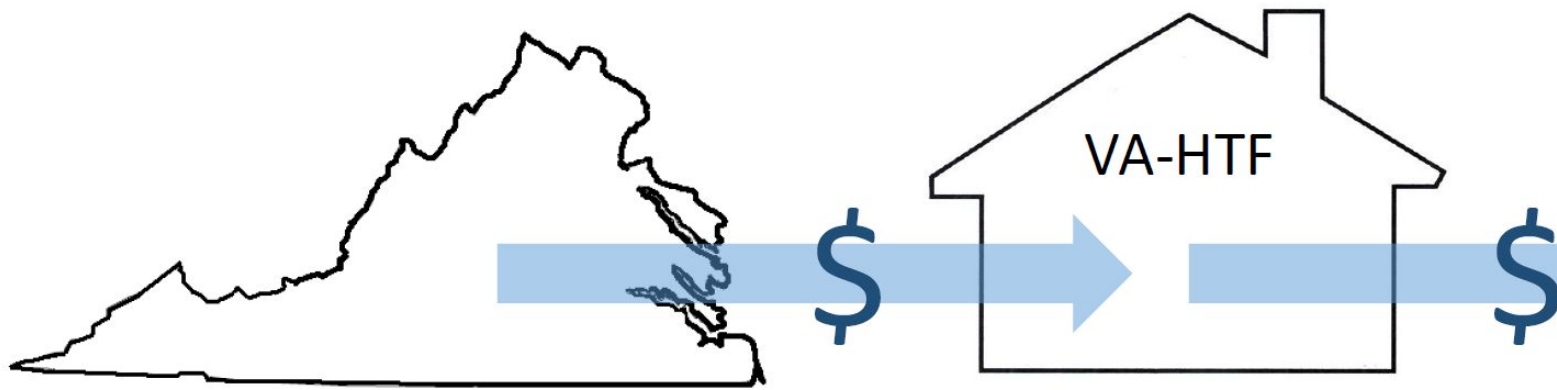


Figure 2: Virginia Housing Trust Fund 2013 Project Distribution Map. Retrieved August 13, 2015 from <https://twitter.com/VAHsgCoalition/status/631195599258406913/photo/1>

Previous Studies

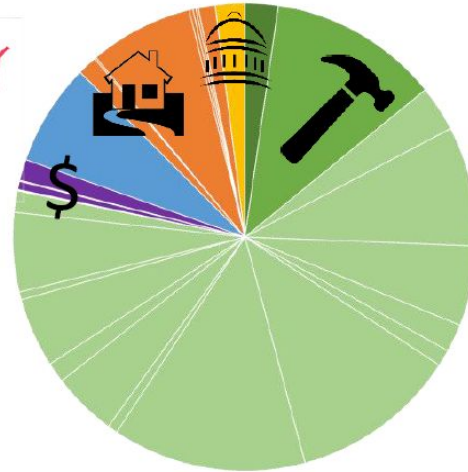
- Today there are approximately **700 housing trust funds providing \$500 million dollars of funding** for local, regional and state housing trust funds to utilize to bridge the gap between funding needed to meet critical housing needs and funding available (Center for Community Change 2015).
- “The importance of local housing development initiatives has been acknowledged, but **little analysis has been done to empirically estimate the positive impacts of the development of affordable homes and overall economic benefit**” (Econsult 2009 pg. 1).
- **Previous studies of economic impact of housing trust funds rely on theoretical funding and/or project budgets**, estimates of expenditures per industry, and other variables.
- **This study is unique because it uses *actual* and *detailed* spending data.**



LOCATION



INDUSTRY
SECTOR



Uses of Funds:

Acquisition Costs

Land

Amount

\$ 750,000.00

Subtotal \$ 750,000.00

Hard Costs

Off-Site Improvements

\$ -

Earthwork

\$ 249,505.00

Roads, Curbs & Paving

\$ 119,320.00

Concrete Pavers

\$ 20,945.00

Concrete Walks

\$ 22,200.00

Storm Water

\$ 205,566.00

Sanitary Sewer

\$ 25,980.00

Water

\$ 41,550.00

Termite Treatment

\$ 975.00

Landscaping

\$ 111,576.00

Concrete Foundations/Slabs

\$ 127,624.00

Masonry

\$ 528,805.00

Misc. Steel

\$ 302,247.00

Rough Carpentry

\$ 753,911.00

Finish Carpentry

\$ 36,450.00

Insulation

\$ 83,884.00

Roofing

\$ 184,782.00

Windows and Storefront

\$ 227,731.00

Interior/Exterior Doors and Hardware

\$ 231,605.00

Siding, Soffit, and Exterior Trim

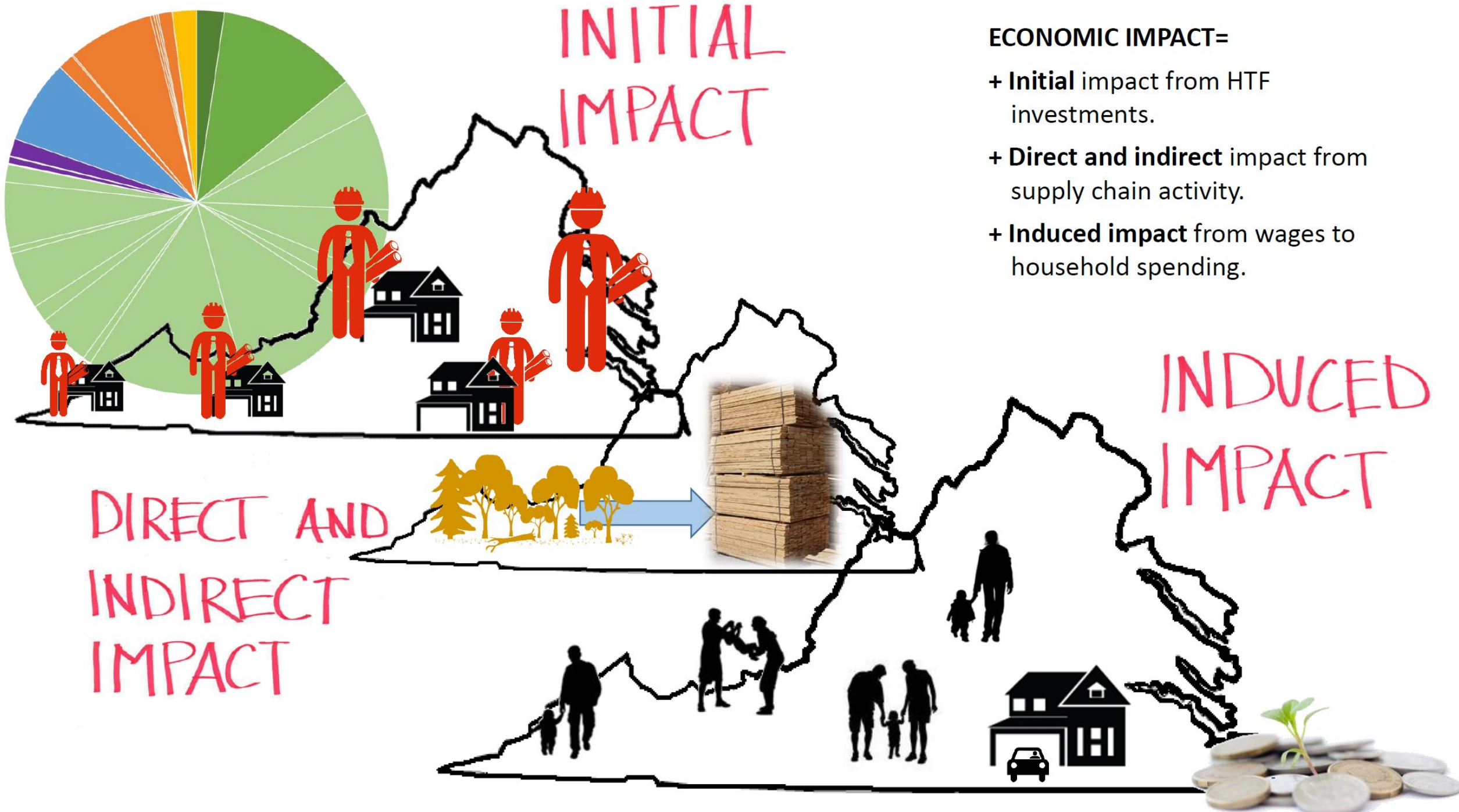
\$ 108,725.00

GWB (including metal framing)

\$ 342,593.00

VCT Flooring

\$ 133,550.00



INITIAL IMPACT

ECONOMIC IMPACT=

- + **Initial** impact from HTF investments.
- + **Direct and indirect** impact from supply chain activity.
- + **Induced** impact from wages to household spending.

DIRECT AND INDIRECT IMPACT

INDUCED IMPACT

Competitive Loan Pool Impact

- ✓ 8 Projects
 - ✓ 5 Rehab Projects
 - ✓ 3 New Construction Projects
- ✓ \$5.4 million Housing Trust Fund investment
- ✓ \$34.3 million funds leveraged

	Economic Impact		
	Jobs	Earnings	Regional Growth
Total Project Spending	463	\$20,492,965	\$94,584,909
Housing Trust Fund Dollars	72	\$3,061,872	\$14,205,291

Case Study (Crescent Square)

- ✓ Crescent Square Apartments is an **80 unit, new-construction** development located in Virginia Beach, VA.
- ✓ **\$9,706,649 spent in Virginia** on the Crescent Square project supported **82 jobs** with **combined earnings of \$3,837,250**
- ✓ Aggregate Effect on Jobs/Earnings in Virginia Beach MSA
 - ✓ **129 jobs during construction**
 - ✓ **10 jobs, \$406,995 earnings sustained annually**
 - ✓ **\$27,533,730 in regional economic growth**



Foreclosure Rehab Pool Impact

- ✓ 29 Projects
- ✓ \$1 million Housing Trust Fund Investment
- ✓ \$1.17 million Leveraged Funds

	Economic Impact		
	Jobs	Earnings	Regional Growth
Total Project Spending	24	\$894,843	\$218,785
Housing Trust Fund Dollars	-	\$204,363	\$76,102

Case Study (Selbon Ave)

- ✓ Selbon Square is a single-family renovation project located in Petersburg, VA
- ✓ **\$54,333 spent in Virginia** on the rehabilitation project increased total earnings throughout the economy by an estimated **\$33,852**
- ✓ In aggregate the Selbon Avenue project supported **1 full job** in the Richmond MSA during construction
- ✓ **\$153,160** in regional growth

Foreclosure Counseling Grants

- ✓ \$500,000 total HTF dollars for foreclosure counseling distributed through the REACH program

	Economic Impact		
	Jobs	Earnings	Regional Growth
Housing Trust Fund Dollars	10	\$607,393	\$1,205,934

Homelessness Reduction Grants

- 9 Awards
- \$820,779 Housing Trust Fund investment
- \$1,100,078 leveraged

	Economic Impact, Total of Projects Studied		
	Jobs	Earnings	Regional Growth
HTF Investment	12	\$533,735	\$1,960,143
HTF Investment + Leveraged Funds	30	\$1,328,941	\$4,513,985

Total Estimated Impact

- ✓ VCHR only estimated the impact of Competitive Loan Pool Construction and Rehab Funds, Foreclosure Rehab Funds, and Foreclosure Counseling funds.

	Economic Impact, Total of Projects Studied		
	Jobs	Earnings	Regional Growth
HTF Investment	99	\$4,407,363	\$16,367,255
HTF Investment + Leveraged Funds	527	\$23,324,142	\$99,899,896

Other Economic Impact

There is additional economic impact that has not been considered in this study:

- New homeowner equity
- Operations of multi-family dwellings
- Re-investment of funds
- Increased household stability

Other Considerations

- ✓ Virginia Beach-Newport News-Norfolk MSA includes two counties in NC (applicable to 6 HFH projects)
- ✓ Washington-Arlington-Alexandria MSA Includes Washington D.C. (applicable to 1 HFH project)
- ✓ Winchester-WV MSA includes one county in West Virginia (applicable to 1 HFH project)

References

- ✓ Econsult Corporation (2009). *Potential Economic and Fiscal Impacts of a Pennsylvania Housing Trust Fund*. Retrieved August 14, 2015, from <http://www.housingalliancepa.org/sites/default/files/resources/Economic%20Impact%20Study%20%28FINAL%20-%202009-04-24%29.pdf>
- ✓ Farris et al. (2010). *Lexington/Fayette Affordable Housing Trust Fund Fiscal, Economic and Social Impact Study*. Retrieved August 19, 2015 from <http://housingtrustfundproject.org/wp-content/uploads/2015/02/Lexington-KY-AHTFund-EBenefits-study.pdf>
- ✓ Pollack, E. D. (2014). *Arizona Low Income Housing Tax Credit and Housing Trust Fund Economic and Fiscal Impact Report*. Retrieved August 12, 2015, from https://housing.az.gov/sites/default/files/documents/files/Arizona%20LIHTC%20EF_FINAL_0.pdf
- ✓ Virginia Housing Coalition. (2014). *2013 Virginia Housing Trust Fund Report on Project Awards and Impacts*. Retrieved August 14, 2015, from <https://thevirginiahousingcoalition.files.wordpress.com/2014/06/2013-vhtf-allocation-info-packet-6-14.pdf>